Approved For Release 2008/12/04 : CIA-RDP89B00423R000100060007-2


DDI #03709-84
26 June 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : Deputy Director for Intelligence

SUBJECT : Soviet Defense Costing Estimate [redacted] 25X1

1. I have pursued the question of a joint CIA/DIA estmate on Soviet defense spending to be issued in September or October. Let me describe the obstacle that I have discovered. People around town talk about CIA and DIA costing estimates as if they were two equally elaborate analytical efforts with equal validity based on the accumulation of intelligence data. Although it sounds parochial, the time has come to face reality: the comparison is not between apples and apples or apples and oranges but between an apple and a raisin.

-- DIA's dollar effort on costing which is based on 150 of 300 weapons programs is based principally on projections, not data. For example, we will not do estimates on Soviet procurement for 1983 til 1985 because the data won't be available -- the work we are currently doing will be for 1982, just as last year's paper was on 1981.

-- In their 1983 assessment, part of which was announced last month, they cite serial production of a follow-on to the SS-19 missile. There is absolutely no evidence to a follow-on to that missile in test much less that one is in serial production. So we have no idea where they get that.

-- With respect to ruble costing or level of burden, you should understand that DIA simply extrapolates a straight line projection of one-third of the state budget from year to year.

-- Moreover, there is no requirement inside DIA that the data of one assessment be internally consistent with that of another or even internally within the same estimate. The fact is we ended up having to help DIA understand what they themselves were doing. [redacted] 25X1



Cl By Signer
DECL OADR

Approved For Release 2008/12/04 : CIA-RDP89B00423R000100060007-2

Approved For Release 2008/12/04 : CIA-RDP89B00423R000100060007-2


2. Before we set in concrete how to approach this "common estimate" for this fall, I think you both need about 20 minutes from Doug MacEachin and [redacted] not just on the methodological differences in approach between ourselves and DIA but, more importantly, the difference in the scope and sophistication of the effort. As indicated above, DIA is trying to put out figures on 1983; we are unprepared to do that because we do not have data in hand that would enable us to do it with any confidence much less high confidence. So right there is a major difference in approach on the costing estimate we are doing right now that will make this very difficult. [redacted] 25X1 25X1

3. I think all three of us probably wish this whole costing effort would just disappear because I don't know of a single substantive subject that breeds as much heartburn and as little positive return. Nevertheless, we have to deal with it and I think it is important that you be able to convey the difference in the effort as between CIA and DIA in a conversation with the Secretary. From my vantage point, and we can discuss it further when I return, a joint paper looks out of the question. Separate papers are a possibility but we have such great uncertainties about projections that are less than a year old that we would prefer only to do 1982 rather than 1983. I am asking Dick Kerr to set up a meeting between the two of you and the two from SOVA so that you can hear some of this first-hand and get a better appreciation of the problem. It is more than just a difference in numbers between the two agencies. [redacted] 25X1

Robert M. Gates



Approved For Release 2008/12/04 : CIA-RDP89B00423R000100060007-2

Approved For Release 2008/12/04 : CIA-RDP89B00423R000100060007-2


DDI #03709-84
26 June 1984

SUBJECT: Soviet Defense Costing Estimate [redacted] 25X1

DISTRIBUTION:
0 - DCI
1 - DDCI
1 - EXDIR
1 - ER
1 - ADDI
1 - D/SOVA
1 - DDI Registry
1 - DDI Chrono
DDI/RMGates/de [redacted] 25X1


Approved For Release 2008/12/04 : CIA-RDP89B00423R000100060007-2